George Kent (Malaysia) Berhad

PRESS RELEASE

FOR IMMEDIATE RELEASE

GEORGE KENT PROPOSES A BONUS ISSUE OF 1 FOR 3

Maintains earnings momentum for its Q1FY2015

PUCHONG, 30 JUNE 2014 – GEORGE KENT (MALAYSIA) BERHAD ("GKENT" or the "Group"), today announced its proposed bonus issue in conjunction with its financial results for the first quarter of its financial year ending 31 January 2015 ("Q1FY2015").

PROPOSED BONUS ISSUE

The Group is proposing a bonus issue of 75,102,542 new ordinary shares on the basis of one (1) bonus share for every three (3) existing shares held ("Proposed Bonus Issue").

Subject to shareholders' approval, the Proposed Bonus Issue will result in an increase in the Group's issued and paid up number of shares to 300,410,168 from the existing 225,307,626 shares.

The entitlement date of the Proposed Bonus Issue is yet to be determined and will be subject to the approval from Bursa Securities and the Group's shareholders at an extraordinary general meeting ("EGM") to be held in due course.

Commenting on the Proposed Bonus Issue, the Group's Chairman, Tan Sri Dato' Tan Kay Hock said "In light of our stellar financial performance for the financial year ending 31 January 2014, and our future growth prospects, we believe that this Proposed Bonus Issue will reward our existing shareholders for their loyalty and continued support. In addition, the enlarged capital base resulting from this issue will improve the liquidity of our shares on Bursa Securities and attract greater participation from the investment community."

FINANCIAL RESULTS FOR Q1FY2015

For the first quarter of its financial year ending 31 January 2015 ("Q1FY2015"), the Group reported a revenue of RM64.9 million, a decline compared to the corresponding quarter in the preceding financial year ("Q1FY2014"). However, due to higher profit margins from the Group's Manufacturing & Trading as well as its Construction segments, the Group delivered a 9.8% increase in its profit before tax ("PBT") to RM8.7 million compared to RM7.9 million in Q1FY2014. This resulted in net earnings attributable to the Group's shareholders of RM6.5 million for the quarter compared to RM5.5 million for Q1FY2014.

In the immediate preceding quarter ("Q4FY2014"), the Group successfully completed the Panching Water Treatment Plant in Kuantan, Pahang. More recently, on 30 May 2014, the Group also completed the construction of the Semantan Intake Pahang-Selangor raw water transfer project, which was delivered on schedule. The completion of the former and the recognition of the tail-end revenue of the latter were the main reasons for the Group's decline in its quarter-on-quarter ("Q-o-Q") revenue.

The Group's balance sheet as at 30 April 2014 remains robust with total shareholders' funds of RM248.9 million and a net cash of RM152.7 million. Armed with a healthy balance sheet and ample liquidity, the Group is well positioned to capitalise on more construction related projects to replenish its already healthy order book.

EXPANDING EXPERTISE AND CAPITALISING ON LUCRATIVE OPPORTUNITIES

In July 2012, the Group was awarded a contract for the engineering, procurement, construction, testing and commissioning of systems work for the Ampang LRT Line extension project. The construction and installation works commenced in late 2013 in conjunction with the construction of the new Operation Control Centre ("OCC") building in Ampang. This contract has enabled the Group to develop a highly skilled team of experts in the area of transportation and rail. Fully equipped with the necessary technical expertise, the Group is prepared for future opportunities in the rail transportation industry, which will expand its earnings base in the foreseeable future.

"We will continue to build our resources and expertise in order to seize and capitalise on lucrative opportunities in the near future and beyond. We are now in a fast-paced and constantly evolving business environment. Therefore, in order to remain relevant and maintain a competitive edge, we have to ensure that proactive measures are taken to build not only our core and existing competencies but also new skills and expertise. We have successfully delivered on our turnkey infrastructure projects and making progress with our Ampang LRT line extension project. These projects have contributed positively to our financial bottom-line and also resulted in invaluable and intangible benefits to the Group. We will continue with our aspirations in contributing to the nation building efforts in line with the Government's Economic Transformation Programme." concluded Tan Sri Tan.

At the Company's forthcoming Annual General Meeting ("AGM"), the Board of Directors will seek shareholders' approval for payment of a final single-tier dividend of 4.0 sen per share for FY2014. Upon shareholders' approval, the total amount of dividend for FY2014 will be RM15.8 million compared to RM11.0 million in the preceding financial year ("FY2013").

About George Kent (Malaysia) Berhad

George Kent (Malaysia) Berhad, a company with a rich history going as far back as 1936 and listed on Bursa Malaysia since 1974, is involved in two main core businesses:

- Manufacturing and distribution of water meters and related industrial products
- Investments in water infrastructure assets, engineering works and construction

The Group is the leader in the domestic market for the supply of water meters and its hot brass stamping and water meter manufacturing plant located in Puchong, Selangor, is by far, the largest in South-East Asia.

Its high quality water meters and brass fittings are used by water utility authorities and industrial users in Malaysia and overseas. The Group has established its brand footprint throughout the ASEAN region as well as other countries globally.

The Group is also involved in M&E engineering for general civil and structural works, and possesses a strong track record in the construction of water supply infrastructure.

In July 2012, the Group was awarded a RM1.084 billion LRT Ampang line extension system works by Syarikat Prasarana Negara Berhad.

For more information, please visit **www.georgekent.net**

Issued by: Imej Jiwa Communication Sdn. Bhd. on behalf of George Kent (Malaysia) Berhad

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<u>**MEDIA QUERY**</u>

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